

Message Text

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ORIGIN PM-05

INFO OCT-01 AF-10 ISO-00 ACDA-07 TRSE-00 SS-15 SSO-00
NSCE-00 SP-02 CIAE-00 INR-07 NSAE-00 EB-08 AID-05
INRE-00 L-03 OMB-01 H-01 /065 R

DRAFTED BY PM/SAS:DHESTER:RG
APPROVED BY PM/SAS:HMCELROY
AF/W:RHOUEK
DOD/DSAA:PSOMMER (SUBS)
TREASURY:CCROSSWHITE
AF/I:LTC.WCARROLL
T:SLEDOGAR (INFO)

-----079981 262338Z /65

O R 262204Z AUG 77 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY DAKAR NIACT IMMEDIATE
INFO SECDEF
TREASURY
USCINCEUR

C O N F I D E N T I A L STATE 204915

E.O. 11652: GDS

TAGS: MASS, SG

SUBJECT: SENEGAL - FY 1977 FOREIGN MILITARY SALES
LOAN AGREEMENT

REFS: A. DAKAR 5695 B. DAKAR 5592 C. DAKAR 5501
D. ARMY DTG 112048Z AUG E. STATE 051670 MAR

1. PRESIDENT HAS SIGNED DETERMINATION WAIVING CEILING ON
MILITARY AID TO AFRICAN COUNTRIES IN FY 1977. AUTHORIZA-
TION TO RELEASE \$8 MILLION IN FY 1977 FMS FINANCING FOR
SENEGAL HAS BEEN FORWARDED TO ACTING UNDER SECRETARY NYE
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FOR SIGNATURE. FINANCING WILL BE PROVIDED FOR PURCHASE
OF MILITARY (PRIMARILY ROAD CONSTRUCTION AND MAINTENANCE)
ENGINEERING EQUIPMENT AND RELATED INITIAL TRAINING AND
SPARE PARTS. PRECISE LIST OF ITEMS TO BE FINANCED WILL
BE SUBJECT TO JOINT USG-GOS AGREEMENT.

2. PROCEDURES AND TERMS OF LOAN AGREEMENT. LOAN OF \$8 MILLION WILL BE REQUESTED FROM THE FEDERAL FINANCING BANK (FFB) WITH PRINCIPAL TO BE REPAYED IN NINETEEN APPROXIMATELY EQUAL SEMI-ANNUAL PAYMENTS COMMENCING THREE YEARS AFTER SIGNATURE OF LOAN AGREEMENT. FIRST 18 PRINCIPAL PAYMENTS WILL BE \$421,000 EACH FOLLOWED BY FINAL PAYMENT OF \$422,000. DISBURSEMENT PERIOD WILL END TWENTY-FOUR MONTHS AFTER SIGNATURE OF LOAN AGREEMENT. DEPARTMENT OF DEFENSE WILL GUARANTEE LOAN FOR WHICH GOS WILL PAY GUARANTY FEE OF \$20,000 FROM ITS OWN RESOURCES.

3. WE WILL INFORM YOU AND LOCAL SENEGALESE EMBASSY WHEN LOAN AGREEMENT IS READY FOR SIGNATURE IN WASHINGTON. IN RESPONSE TO REF A, FFB FOLLOWS PROCEDURE OF SIGNING ALL FMS LOAN AGREEMENTS IN WASHINGTON TO AVOID LOSSES DOCUMENTS AND TO ASSURE PROPER EXECUTION OF LOAN AGREEMENTS. IN ADDITION, FFB OFFICIAL MUST SIGN EACH LOAN AGREEMENT. THUS TO ASSURE REQUIRED SIGNATURE OF FMS LOAN AGREEMENT WITH GOS BEFORE END OF FISCAL YEAR ON SEPTEMBER 30, AGREEMENT SHOULD BE SIGNED IN WASHINGTON AS SOON AS POSSIBLE.

4. AT TIME OF SIGNATURE GOS REPRESENTATIVE MUST PROVIDE FOLLOWING:

A. GUARANTY FEE OF \$20,000 IN FORM OF CHECK FOR THAT AMOUNT MADE PAYABLE TO "TREASURY OF THE UNITED STATES".
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B. COPY OF AUTHORIZATION BY GOS TO ITS REPRESENTATIVE TO SIGN LOAN AGREEMENT. IN ADDITION, BEFORE FUNDS MAY BE DISBURSED, SIMILAR WRITTEN AUTHORIZATIONS ARE REQUIRED FOR PERSON(S) TO SIGN ON BEHALF OF SENEGAL (1) PROMISSORY NOTE AND (2) OTHER DOCUMENTS CONTEMPLATED BY LOAN AGREEMENT SUCH AS REQUESTS FOR ADVANCES OF FUNDS.

SPECIFIC AUTHORIZATIONS MAY BE PROVIDED IN SINGLE DOCUMENT OR IN SEPARATE DOCUMENTS. THEY MAY BE IN ANY WRITTEN FORM, INCLUDING CABLED INSTRUCTIONS TO GOS WASHINGTON EMBASSY, PROVIDING THEY ARE IN ENGLISH OR IN OFFICIAL ENGLISH TRANSLATION.

5. DEPARTMENT OF DEFENSE HAS POUCHED SAMPLE COPY OF FY 1977 FMS LOAN AGREEMENT. DOD IS ALSO SENDING INFORMAL UNOFFICIAL TRANSLATION OF FY 1976 LOAN AGREEMENT FORMAT PREPARED BY ANOTHER FRENCH SPEAKING COUNTRY. FFB DOES NOT RPT NOT PROVIDE TRANSLATION OF FMS LOAN AGREEMENTS. EMBASSY MAY WISH USE FRENCH TRANSLATION OF FY 1976 LOAN AGREEMENT AS AID IN TRANSLATING FY 1977 LOAN AGREEMENT,

BUT SPECIAL CARE SHOULD BE TAKEN IN NOTING DIFFERENCES
IN TEXTS OF TWO AGREEMENTS. AS JUST ONE EXAMPLE, LEGAL
OPINION IS NO LONGER REQUIRED OF FOREIGN GOVERNMENT
BEFORE LOAN MAY BE DISBURSED.

6. MR. SALL OF SENEGALESE EMBASSY HAS JUST INFORMED
DEPARTMENT THAT GOS DELEGATION IS SCHEDULED TO ARRIVE
WASHINGTON AUGUST 29 TO SIGN FMS LOAN AGREEMENT. NEITHER
DEPARTMENT NOR DOD KNOWS WHERE GOS OBTAINED ERRONEOUS
INFORMATION REPORTED REF A THAT AGREEMENT MUST BE SIGNED
AUGUST 29. EMBASSY SHOULD IMMEDIATELY INFORM GOS THAT
AGREEMENT IS NOT RPT NOT READY FOR SIGNATURE AND WILL
NOT RPT NOT BE UNTIL ACTING UNDER SECRETARY NYE
AUTHORIZES ITS RELEASE AND FFB AND PREPARES DOCUMENTS.
AGAIN, WE WILL INFORM YOU AND SENEGALESE EMBASSY HERE
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WHEN AGREEMENT IS READY FOR SIGNATURE. CHRISTOPHER

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Sent Date: 26-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t197708113/aaaafvtr.tel
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